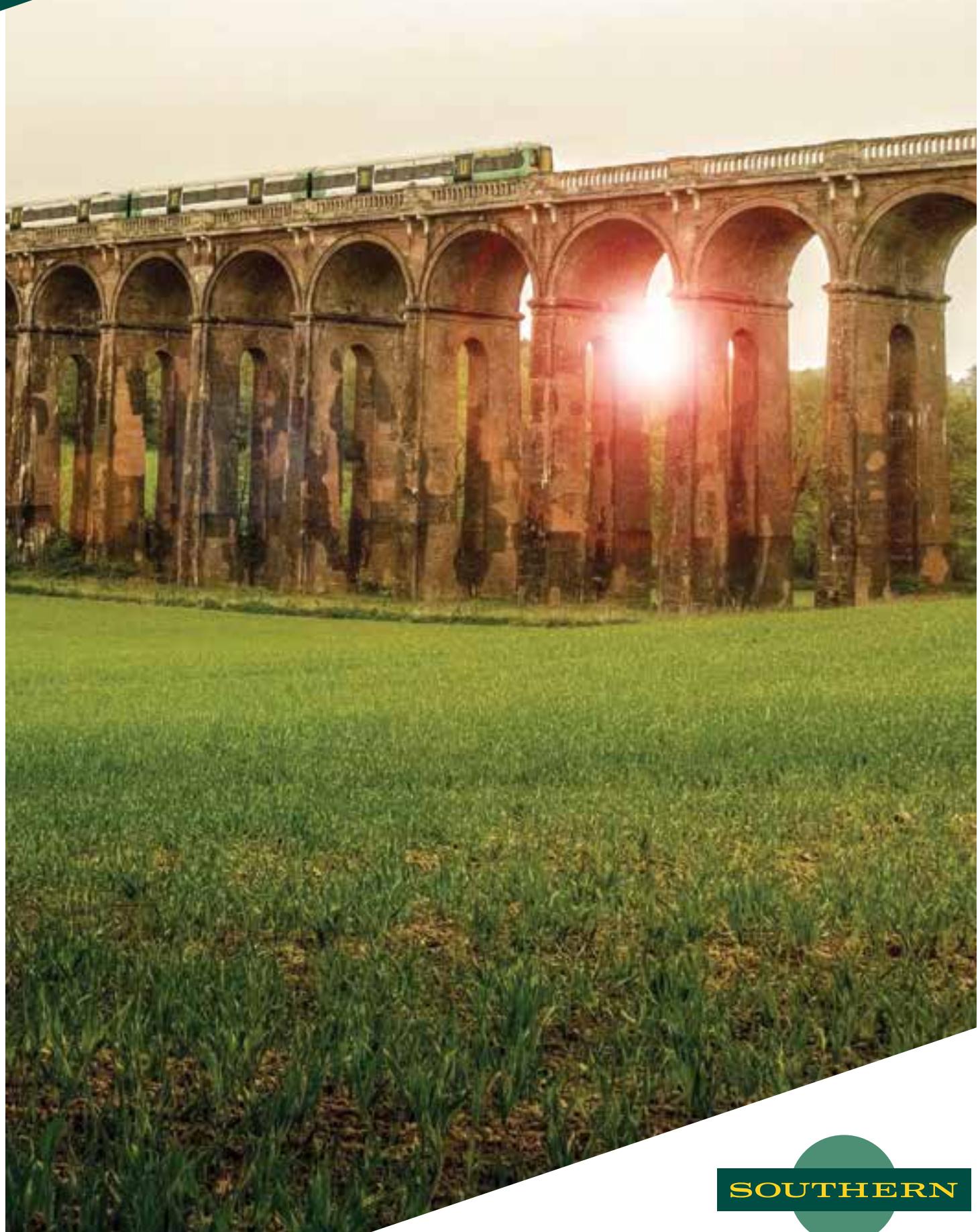


Sustainability report

2013



SOUTHERN

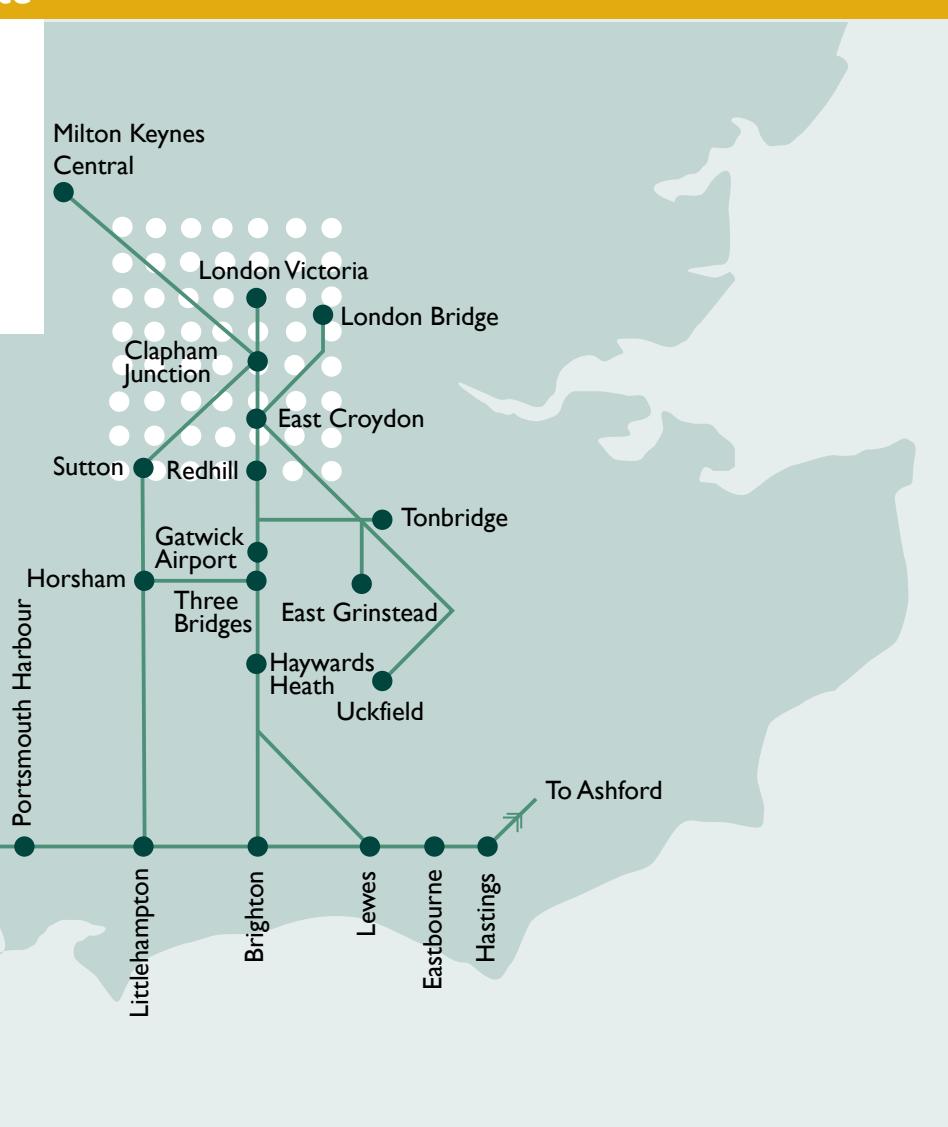
We run Southern and Gatwick Express train services for commuter, business and leisure passengers in South East England. Southern provides a vital link connecting people to places, employees to workplaces and customers to businesses. We pride ourselves on the way we work in partnership with our local communities and are focused on making every journey better for our passengers through great customer service and performance.



Title photo by Wayne Harris, Revenue Protection Officer; who achieved third place in the Go-Ahead photography competition.

Where we operate

Our train services carry passengers between London and the South East coast – through South London to Surrey, East and West Sussex and to parts of Bedfordshire, Kent and Hampshire.



2013 Corporate social responsibility highlights

- The number of passengers travelling with Southern continues to increase
- Further investment and development of community partnerships
- New corporate charity nominated and chosen by staff
- Crime rates continue to fall, year on year
- Additional improvements to environmental performance

Inside this report

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Key facts

169m
passenger journeys

4,016
employees

308
train units

156
stations managed

For more information,
visit our website:
www.southernrailway.com



We're part of the
Go-Ahead
Group



Managing Director's message

Working with our stakeholders



Our focus on engaging and working with our stakeholders, at all levels, continues to drive our business.

Together they help us to improve the service we offer to our passengers, work more closely with our local communities and move forward in our work to continuously improve our sustainability.



I'm extremely proud of how, over the last 12 months, we at Southern have continued to improve across our business, despite a number of challenges. We are now seeing the arrival of our new trains intended for the December 2013 timetable, when we will increase capacity on some of our busiest South London routes. Work has continued to improve our station environments, including new stations at Hassocks, Ashtead and East Grinstead, and of particular note is the outstanding refurbishment work undertaken at Brighton station. At the same time we were awarded five stars against the European Foundation Quality Management (EFQM) Model – the highest level of achievement in the Recognised for Excellence Scheme – and went from Bronze to Silver standard with Investors in People, whilst continuing to gain awards from across the industry.

Performance focus

We know that the most important priority for our passengers is for us to get them to their destination on time. During the start of this year we faced a number of challenges which impacted upon our performance. Everything from a signal cable fire in the Preston Park area, landslip near Dorking and what felt like the longest winter made this an extremely challenging period. This contrasted against some very positive performance during the Olympics

and Paralympics period. We accept that our performance did not always meet the expectations of our passengers, or ourselves, over the autumn and winter period, and have worked hard to improve the way we deal with incidents and disruptions. This included the establishment of a new Performance Directorate, bringing together, for the first time, our Control, Train Planning and Major Programmes teams. This has allowed closer focus of these teams and the whole of the company on achieving an on time railway. I'm extremely heartened to see that this work has already resulted in some improvements to our performance and look forward to seeing this continuing throughout the rest of the franchise.

People matter

Focusing on our vision of making every journey better, our teams have continued to work hard and support each other, as well as local communities. Our station partnerships continue to grow and are now showing fantastic benefits to local people across the network. This includes London Road (Brighton) where the station has fantastic flower displays created by locals and produces vegetables using compost from green waste donated by local residents.

Our stations have been brightened by a range of displays of local art. Created by many local schools and groups, these have helped to improve waiting rooms and station entrances. This work also included the 'Art on the Line' project, which presented a unique opportunity for emerging artists and students to transform many of our waiting rooms into mini art galleries. From photographers to dancers – we have had it all!

Our annual Employee Survey took place in spring and despite a difficult period across the company, including organisational restructuring, I was pleased that two thirds of our people took the opportunity to tell us how we can improve. Although our overall engagement score dipped by 4% to 62%, this is still an excellent score for us, in this context, and helps to focus the work we will undertake in 2014 to make Southern an even better place to work.

The survey also allowed us to continue our support for the Royal Marsden Cancer Charity, our corporate charity, donating over £2,500 from this activity alone. At the same time our teams chose their second corporate charity for the year ahead – Martlets Hospice.

Outside of Southern, we were continually recognised for our outstanding work through awards. This included the London Transport Awards, where we won the Public Transport Operator of the Year.

More to come

For 2014 we will continue to build on our achievements. The introduction of new trains and longer platforms will help us to provide more capacity from this December. Alongside this our Fleet team's hard work to refresh our existing trains, including the Class 377 and 455 fleets, is already improving the journey experience for many.

At the same time our smartcard, the key, will continue to go from strength to strength, as more ticket types become available and it extends into London. Southern's smartcard is leading the way for the industry, covering many more stations than smartcards offered by other train companies, and we will continue to promote its benefits to customers, including the sustainability the card offers.

We will also continue to develop sustainable travel options, with more cycle spaces and reviewing the potential to build upon the public electric vehicle (eV) charge points at Lewes and Purley stations.

We will also continue to focus on how we can make every journey better for everyone involved with Southern. This includes continuing to focus on improving the work experience for our teams and the performance and sustainability of our stations and services for now and the future.

Chris Burchell, Managing Director

October 2013

Safety

Keeping our passengers safe and secure

Security

Our continued commitment to safety and security on the railway in partnership with the British Transport Police (BTP), continues to drive down crime in key areas. During the last BTP reporting year (April 2012 – March 2013), assaults on staff were down by 8%, whilst violence against the public fell by 11%. Cycle crime also fell by 7%, a significant achievement considering the number of additional cycle facilities we have installed this year. All crime detection rates rose by 4% to 47%.

We have seen further successes in the area of personal security. Our 'Eyewitness' email system, which can be used by staff or passengers to report anti-social behaviour, won the Passengers Matter category at the Association of Community Rail Partnerships Awards. Our own work at Brighton station to adjust our safer travel team onto a 24 hour basis has seen crime rates reduce by over 90%.

Looking ahead we are implementing new plans to further reduce staff assaults and target our teams to anti-social behaviour hotspots. A new policy on dealing with trespassers is now in place and will enable us to better manage this disruption to our business. Finally, we will continue to foster collaborative working with all our industry partners to ensure that together we use all our resources to improve security for staff and passengers, now and in the future.





Photo by Andy Jackson, Fleet Infrastructure Team Leader; a runner up in the Go-Ahead photography competition.

Staying safe

During the last 12 months a new innovation has been introduced into Southern with the aim of improving our drivers' performance. Identifying the need for attention or re-training prior to a potential incident, the system, CHURROS, is fitted to trains and uses data to continually monitor driver behaviour, identifying problems before they happen. The system is helping to improve our performance and was winner of the Information Technology Excellence of the Year category at the Rail Business Awards.

We have also launched a completely new style of driver training, offering more practical learning throughout the process, coupled with strong support and the creation of a new comprehensive knowledge base that trainees can access to aid their learning.

During 2013 we have further strengthened our relationship with Network Rail and agreed a Joint Safety Improvement Plan, aimed at delivering an even safer railway, including initiatives on level crossings, stations, crime, trespass and suicides. We also continue to work closely with the Samaritans and have trained over 150 staff in recognising potential suicide risks.

Leading the way

8%

reduction in assaults on staff (April 2012 – March 2013)

7%

fall in cycle crime (April 2012 – March 2013)

Environment

Driving energy further

Strategy focus

During the year, our environment strategy was updated, incorporating feedback from staff and listening to local communities. This has allowed us to build a plan around the three pillars of engagement, economics and environment.

As part of this we have continued to develop our Area Champions for the Environment. These are staff from across the network, who volunteer to support environmental improvements, and we are now supporting some towards achieving a professional qualification.

Waste

This year East Croydon station adopted the 'Track to Zero Waste to Landfill' approach. Staff, passengers, contractors and the local tenants at the station were consulted and involved in the project, which has dramatically improved not only the way that waste is managed at the station but also the approach towards this by all those working there. This model is now being adapted to be introduced at other stations and we are sharing this work with other businesses and train companies.

Sustainable travel

During the year, Lewes station saw the opening of the first public electric vehicle (eV) charge point in this area. This allows travellers to reduce the carbon footprint of their journey to the station and we are investigating the feasibility of adding these points to other stations.

Cyclists continue to find parking their bikes a lot easier across our network. We exceeded our targets for installing cycle spaces and now have 5,857 spaces, meaning that we have installed over 2,000, and have plans in place to double this by July 2015.

To promote walking we worked with, and sponsored, Plumpton Station Partnership's book 'Walk Plumpton'. This features walks around the village and includes nature notes for the area.

Efficiency

During the year we have installed more energy efficient LED lighting at stations. We are also switching lights off overnight between the last and first service, where it is safe to do so. We have continued to install smart meters

to monitor our electricity usage and we have started to install water meters at our stations.

Smart meters have also been installed in 10% of our trains, with plans for many more to be fitted, allowing us to understand the electricity usage along particular routes and where savings can be made. A trial installation of a Driver Advisory System on our Class 171 diesel fleet has also begun. This provides advice to our drivers about when it is most efficient to coast and therefore save fuel along their journey.



Leading the way

3

members of staff qualified as Lead Environmental Auditors

70%+

waste recycled across Southern

6 tier

development plan produced for Area Champions for the Environment

Passengers

Making every journey better



Our key to smart travel

Our smartcard, the key, is now available at the majority of Southern stations outside of London, to make travel easier, using its one touch transaction technology.

Southern is leading the way in this technology and was the first train company to introduce PlusBus tickets on its smartcard, meaning that customers can use one card on both rail and bus journeys in the Brighton and Crawley areas.

Single and return tickets have now been introduced on the key and preparations for large scale acceptance in London are underway.

Focus on performance

Over the past year we have had a number of challenges to our performance. From a gloriously hot summer to snow, landslips and cable fires, we have had a lot to handle.

We know that performance is important and our priority has been to get our trains departing and arriving on time. We have now established a Performance Directorate, headed by a member of the Executive Board, which focuses on how we work across Southern and with our partners. These changes have had a positive impact on performance with Southern's delay minutes reducing by 27% for the summer period, compared to last year. There is always more to do and our challenge is to remain consistent throughout the autumn and winter seasons.

Major work

Working with Network Rail, at East Croydon we have introduced a new footbridge and lifts, and work is underway to build an additional platform at Gatwick Airport, allowing us to improve performance from the station. Together we have also built new stations at East Grinstead, Ashtead and Hassocks, restored the ticket hall at Battersea Park to its former glory and made major improvements to Horsham station, including enhanced gatelines, toilets and waiting areas.

We are pleased that this work has been recognised with a shortlisting in the National Rail Heritage Awards for Battersea Park and Horsham. The latter was shortlisted for Station of the Year at the National Transport Awards and was highly commended at the National Rail Awards.

At Brighton we have introduced a wider gateline, new ticket office, waiting room and cafe. This work will be completed with a new cycle hub, providing safe and secure storage for bicycles.

These projects would not have been possible without the continued involvement of stakeholders and partners and we have continued to build our relationships with ever increasing numbers of meetings and events.

Leading the way

530

customers registered for the key at the
Eastbourne smartcard roadshow

265

stakeholder meetings and events

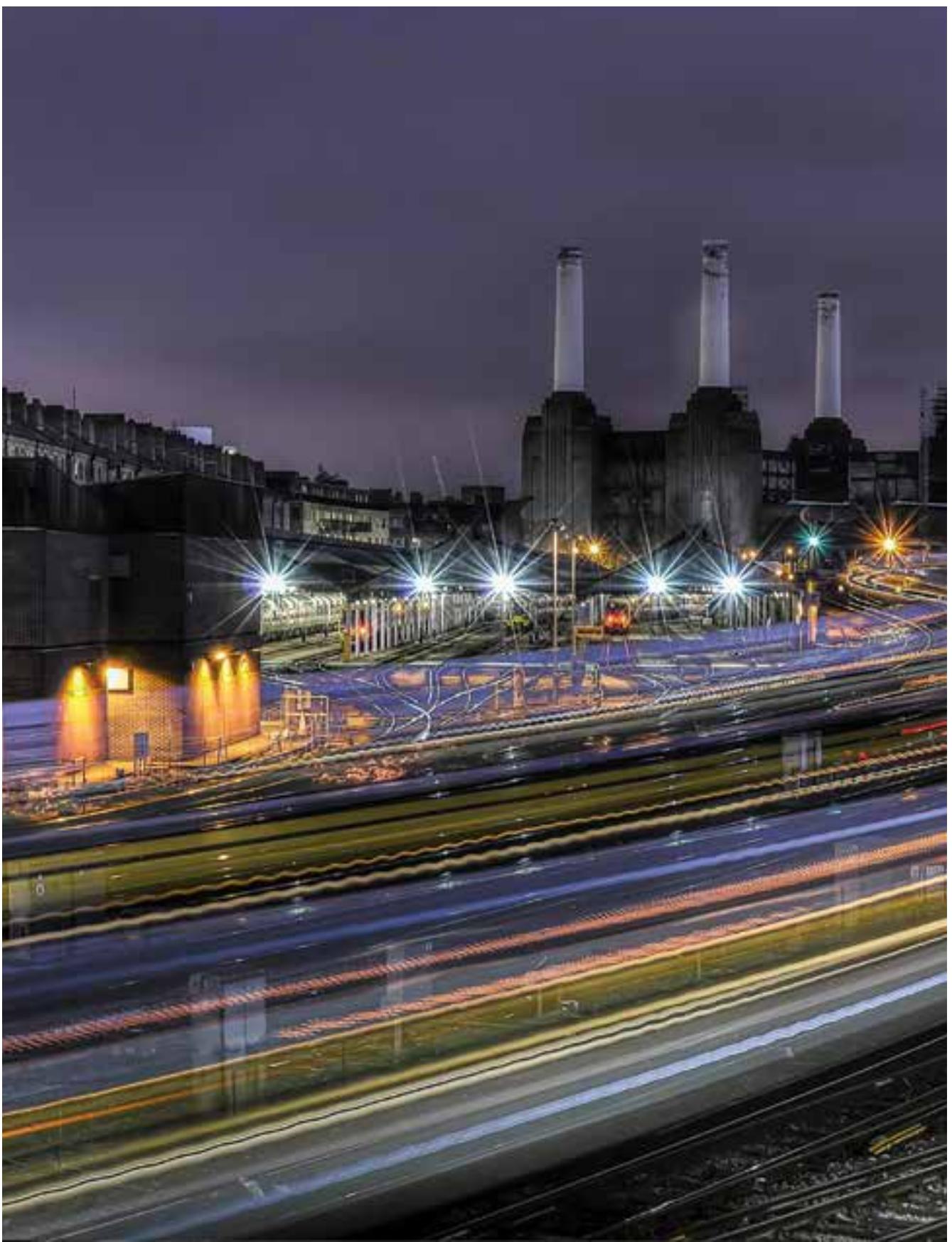


Photo by Sam Neequaye, Platform Assistant, a runner up in the Go-Ahead photography competition.

Employees

Making Southern a great place to work



Investing in people

We have made further improvements to our team brief process and internal recognition scheme. This was recognised with us achieving Silver status with Investors in People. Our results were extremely high and put us in good standing for our application for Gold standard in 2014.

During this year we were also Recognised for Excellence, at the five star level, against the European Foundation Quality Management (EFQM) Excellence Model, which is used by companies to measure and improve businesses. This is the highest level of recognition and acknowledged our focus on stakeholders and the work staff undertake with charities and the wider community.

Leading the way

Investors in People Silver Award achieved

Recognised for Excellence, at the five star level, against the EFQM Excellence Model

13,031
training days

Engagement

Our Employee Survey was conducted in May 2013 and, despite some reorganisation, we were pleased to receive an engagement score of 62%. We were particularly heartened that staff recognised the work we've undertaken to further embed our customer service values.

We recognise though that we still have areas for improvement and will be focusing on ways to enhance our working environment for our staff throughout the coming year.

Employee achievements

At the Rail Business Awards, Martin Grier, now Head of Control, won the Rail Business Manager of the Year award, for the improvement brought by him to both the Revenue Protection and Control teams. Liam Ludlow, Customer Services Manager, was a finalist in the Young Professional category, recognising his commitment and dedication to helping our passengers.

Conductor Corrine Dowden was highly commended in the Frontline Employee of the Year category at the National Transport Awards for her actions when her train lost power during an exceptionally busy rush hour.

Rail Neighbourhood Officer George Booth was named Railway Security Accredited Scheme Member of the Year at the Complementary Policing Awards.

Jack Tot and Dan Ward, Platform Assistants at Clapham Junction, were first runners up in the Station Staff of the Year category at the RailStaff Awards, following their nomination by a customer.

Wendy Renshaw, Station Sales Clerk at Bexhill, won a highly recommended award for service with a smile in a competition run by the Bexhill Observer.

Paul Best, Project Manager, was named Cycle Champion at the Cycle Rail Awards, for his hard work and dedication to improving these facilities across our network.

During the year, 14 employees from Southern achieved Apprenticeships in Customer Service and Key Skills Awards. The qualification, in partnership with TBG Learning, was achieved over 12 months and a further 170 employees are currently enrolled on learning programmes.

Communities

A part of community life

Partnering communities

All of our community partnerships flourished during this year and London Road (Brighton) station was chosen to host this year's Big Dig celebrations. Southern sponsored the event and locals turned out to plant new vegetables and top up the soil with the station's very own compost, made on site by residents recycling their green waste. The station went on to win the Community Award for our own Stars and Tsars Service Quality Awards.

An exciting new partnership was also established between Rye station and the School Creative Centre, with support from the Sussex Community Rail Partnership (SCR). This began with a small display of artwork by two of their resident artists and was followed by a showcase of work from local charity ARRCC, which provides support for adults with physical and sensory impairments, and is also resident at the Centre.

Children from Hever Primary School, the gardeners from Hever Castle, and the SCR came together during spring to plant a butterfly and bee garden alongside the platform at Hever station. The children also produced some fantastic artwork to display in the shelters at the station.

We continue to develop our charity bookshelves in waiting rooms, where customers are able to donate books and purchase others for a small charity donation. This year Sanderstead station's book stall passed the £20,000 mark raised for Diabetes UK. The stall is so well supported by locals, their staff have received enough books to be able to start up stalls at other nearby stations.



Giving more

Throughout the year Southern supported a range of charities with donations and raffle prizes.

During this year's Employee Survey we made a charity donation of £2 for every completed survey, to be shared between our corporate charities. Half went to the Royal Marsden Cancer Charity, which we have supported previously. The other half was divided between local charities nominated by staff.

From the responses we were able to donate £713, £901 and £1,023 to Unique, Winston's Wish and Martlets Hospice respectively. Based on these figures Martlets Hospice was chosen as our second corporate charity for the forthcoming year. Southern's Charities Week in September saw staff engaged in a range of activities, including collections, raffles, quizzes, a football tournament and volunteers cycling the distance of the network on two exercise bikes at East Croydon station, raising over £11,000 to be split between the two corporate charities.

School visits

Our staff have welcomed a range of young people onto our stations to help them understand train travel and how to be safe on the railway, as well as going out to local communities.

One of our Fleet Controllers took our Southern Training and Education van (STEvan) for a day out to Handcross playgroup. The group is not situated close enough to a station for a visit, so STEvan offered a pretend ride on a special Southern service, where the children learned about the railway and had their own tickets checked.

"On behalf of the Martlets Hospice, I would like to thank all the employees of Southern Railway for raising £1,023 to support our work and for choosing the Hospice as a charity partner for the coming year."

Robert Griffiths, Director of fundraising;
Martlets Hospice

Our Rail Neighbourhood Officers (RNOs) attended the Safety Action Event, a hands-on teaching event which allows children to learn by making mistakes in a safe environment. Over two weeks our RNOs saw over 1,000 children, helping them to better understand how to spot potential hazards on the railway.

How's that?

During the year we have supported a range of programmes which use sport to help develop children in local areas.

We sponsored Southern Railway & Kenley Cricket Club's Development Team, which includes a range of players of various ages, who are developed by qualified coaches.

We have also supported Street Golf, a Croydon based charity using sport to help reduce the pull of gang crime. This included assistance during the New Addington Carnival, where our staff promoted this excellent programme.

Southern once again helped sponsor Sussex County Cricket Club's Cricket in the Community Programme. This established programme sees thousands of children across the county taught healthy living and good behaviour through sport.

Taking art

We hosted 'Art on the Line', a unique platform for art students and emerging artists which transformed waiting rooms into mini art galleries. This included work by illustrator Sam Jones, photographer Brook Hayes, poet Catherine Hodgson, and involved dancer Joe Atkinson who attended the launch of this art, helping bring it to life at Haywards Heath station.

At Worthing and Littlehampton stations, Chatsmore Catholic High School created and displayed a range of paintings, with inspiration from original railway posters and natural form. All the pictures have QR codes so anyone can scan these to find out more about the techniques and processes used.

We have also worked with local schools to promote Keeping Hove Station Tidy, Barnham Primary School designed a stained glass window for their local waiting room and Littlehaven's waiting shelter has featured the art of the local infant school.



Leading the way

£5,274

donated across four charities from our Employee Survey

£62,519

invested in charities and community sponsorships

1,124

hours supporting community groups and charities

3,000

children educated in railway safety by our security teams

Data table

	2012/2013	2011/2012	2010/2011
Safety			
Signals passed at danger (per million train miles)	1.33	0.57	0.89
Fleet with CCTV (%)	100	99	100
Environment			
Carbon emissions per passenger journey (kg)	1.29	1.38	1.43
Station/depot energy savings:			
– Gas consumption (kwh)	16,985	10,677	16,147
– Electricity consumption (kwh)	29,417	28,150	27,981
– Diesel Rail fuel efficiency (km per litre)	1.52	1.70	1.64
– EC4T Rail fuel efficiency (km per kwh)	0.50	0.53	0.53
Passengers			
Number of journeys running to schedule PPM MAA (%)	88.0	89.9	89.4
Certified accessible trains RVAR (%)	63	64	64
Certified accessible platforms (%)	66	65	64
Web sales (%)	11	11	9.5
Smartcard journeys (%)	35	36.8	34.9
Employees			
Number of employees	4,016	4,053	4,043
Turnover rate (%)	6	7	7
Absence rate (%)	4	4	4
Number of staff training days	13,031	8,228	20,674
Diversity by ethnic group (%)			
– Asian, black or other origin	18	18	18
– White	82	82	82
Diversity by gender (%)			
– Women	16	16	15
– Men	84	84	85
Average length of service (months)	120	123	113
Community			
Charitable giving and investment (£)	62,519	49,570	21,703
Number of stakeholder events	265	181	225

For information on the full Group data please visit our corporate website
www.go-ahead.com

Our awards

Another successful year for Southern

Our 2013 achievements

During the year Southern continued to achieve recognition across a variety of award categories.

National Transport Awards

- Winner of Contribution to Sustainable Transport

Association of Community Rail Partnerships Awards

- Winner of Transport Integration: Local Transport Integration
- Winner of Passengers Matter: Eyewitness

London Transport Awards

- Winner of Public Transport Operator of the Year

Rail Business Awards

- Winner of Engineering Business Excellence: Class 377 Refresh
- Winner of Integrated Transport Excellence: Station Travel Plans
- Winner of Rail Business Manager of the Year: Martin Grier, Head of Control
- Winner of Information Technology Excellence of the Year: CHURROS

Cycle Rail Awards

- Winner of Cycle Champion: Paul Best, Project Manager
- Winner of Operator of the Year



Want to find out more?

You can find out more about Southern by visiting our website www.southernrailway.com and more information on how Southern manages sustainability can be found by visiting www.go-ahead.com/sustainability

If you have any comments, views or ideas on how we might improve, or have any thoughts on other issues that we should address in this report, please write to:

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Summary Verification Statement from Bureau Veritas UK Ltd

For the fifth year, Bureau Veritas UK Ltd has worked with the Go-Ahead Group plc to verify selected sustainability key performance indicator (KPI) data contained within the Group's annual report.

The information and data reviewed for this verification process relates to the period from 1 July 2012 to 29 June 2013.

This report was put together by the Go-Ahead Group and designed and produced by Black Sun plc, London

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